

**NOTICE OF
PROPOSED COMPLIANCE ORDER
AND
NOTICE OF AMENDMENT**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 22, 1997

Mr. H. A. True
President
Belle Fourche Pipeline Company
P.O. Box 2360
Casper, WY 82602

CPF #57502

Dear Mr. True:

On October 28-31, 1996, a representative of the Western Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of your facilities and records for the Belle Fourche Pipeline Company (BFPC) pipeline system in Wyoming and Montana.

As a result of the inspection, it appears that you have committed probable violations as noted below of the pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The items inspected and the probable violations are:

- 1. §195.402 Procedural manual for operations, maintenance, and emergencies; (a) Requires each operator to prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies;**

§195.402(c) Maintenance and Normal Operations; The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

§195.402(c)(3) further requires that the procedures must provide for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of Subpart F of Part 195.

At the time of the inspection, the following procedures were determined to be inadequate:

- A. §195.404 Each operator shall maintain the following records for the periods specified;**
- (1) The date, location, and description of each repair made to pipe shall be maintained for the useful life of the pipe.**
 - (2) The date, location, and description of each repair made to parts of the pipeline system other than pipe shall be maintained for at least one year.**

At the time of the inspection, Operation and Maintenance Manuals for BFPC did not specify the time for which pipeline records would be kept.

- B. §195.403(b) At intervals not exceeding 15 months, but at least once each calendar year, each operator shall;**
- (1) Review with personnel their performance in meeting the objectives of the training program set forth in paragraph (a) of this section;**

At the time of the inspection, Operation and Maintenance Manuals for BFPC did not specify that the time period between reviews would not exceed 15 months.

- C. §195.426 states that no operator may use a launcher or receiver that is not equipped with a relief device capable of safely relieving pressure in the barrel before insertion or removal of scrapers or spheres. The operator must use a suitable device to indicate that pressure has been relieved in the barrel or must provide a means to prevent insertion or removal of scrapers or spheres if pressure has not been relieved in the barrel.**

At the time of the inspection, Operation and Maintenance Manuals for BFPC did not contain procedures for the operation of scraper traps.

- D. §195.416(a) Each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, conduct tests on each buried, in contact with the ground, or submerged pipeline facility in its pipeline system that is under cathodic protection to determine whether the protection is adequate.**

At the time of the inspection, BFPC's procedures were inadequate in that they did not address the consideration of IR drop in their cathodic protection program. NACE RPO-0169-92 the current industry standard, requires that voltage drops other than those across the structure-to-electrolyte boundary must be considered for valid interpretation of this voltage measurement.

E. §195.416(b) Each operator shall maintain the test leads required for cathodic protection in such a condition that electrical measurements can be obtained to ensure adequate protection.

A review of BFPC drawings indicated CP test stations are placed at increments greater than four miles. Test stations need to be installed at sufficient intervals to adequately monitor CP levels on a pipeline. It must be emphasized that it is not a requirement to install additional CP test stations along a pipeline, however, if sufficient test stations are not installed or maintained on a pipeline, another means, e.g., an annual close interval survey must be utilized to determine whether the cathodic protection meets the requirements of §195.416(a).

Under 49 United States Code §60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the probable violations, we will take enforcement action when and if the continued violation comes to our attention.

With respect to Items A, B, and C, as provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under 49 C.F.R. §190.237, you have a right to submit written comments or request an informal hearing. You must submit written comments or request a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your plans or procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. §190.237. If you do not wish to contest this notice, please provide your revised procedures within 30 days of receipt of this notice.

Additionally, pursuant to 49 United States Code §60118, the Office of Pipeline Safety, proposes to issue you a compliance order with respect to Items D and E. That proposed compliance order is enclosed and made part of this Notice of Probable Violation.

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Enclosed and made part of this Notice is a description of the courses of action available to you in responding to this Notice. Please note that regardless of the course of action you elect to follow, you must respond within 30 days of receipt of this Notice. Your failure to respond within 30 days will result in referral to the Associate Administrator, Office of Pipeline Safety, with a request that he find the facts to be as alleged herein and order a civil penalty.

Please refer to **CPF No. 57502** in any correspondence/communication on this matter.

Sincerely,

Edward J. Ondak
Director

Enclosures

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Proposed Compliance Order

Pursuant to 49 United States Code §60118, the Office of Pipeline Safety, proposes to issue BFPC a compliance order incorporating the following requirements to assure the compliance of BFPC with the pipeline safety regulations applicable to its operations.

1. Establish procedures for the consideration of voltage (IR) drops other than those across the structure-to-electrolyte boundary when performing your annual cathodic protection survey.
2. Install sufficient test stations along your pipeline system to adequately monitor your cathodic protection system in its entirety. If you do not wish to install and maintain sufficient test stations along your pipeline system you may consider other means, e.g., perform annual close interval survey in areas where sufficient test stations are not maintained. You must establish and follow procedures that define your course of action to your operation and maintenance personnel.

The above items shall be accomplished 30-days following receipt of the final order. Extensions may be granted for just cause.

When the above items have been accomplished, submit written notification to the Director, Western Region, Office of Pipeline Safety, 12600 West Colfax Avenue, Suite A-250, Lakewood, CO 80215.